



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB4125

by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

230 ILCS 25/1.1

230 ILCS 25/2

230 ILCS 25/2.5 new

from Ch. 120, par. 1102

Amends the Bingo License and Tax Act. Removes provisions that place limitations on the aggregate retail value of all prizes or merchandise awarded in any single day of bingo. Removes provisions that place limitations on the price paid for a single card under the license and the price for a single special game card. Provides that the number of bingo days conducted by a licensee under the Act is limited to 2 (instead of one) per week. Provides that no person or organization shall conduct a remote caller bingo game without a remote caller bingo license issued from the Department of Revenue. Sets forth certain restrictions on the conducting of a remote caller bingo game. Sets forth provisions concerning costs, fees, prizes, and proceeds.

LRB097 18198 AMC 63422 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Bingo License and Tax Act is amended by
5 changing Sections 1.1 and 2 and by adding Section 2.5 as
6 follows:

7 (230 ILCS 25/1.1)

8 Sec. 1.1. Definitions. For purposes of this Act, the
9 following definitions apply:

10 "Bingo" means a game in which each player has a card or
11 board for which a consideration has been paid, containing 5
12 horizontal rows of spaces, with each row except the central one
13 containing 5 figures. The central row has 4 figures with the
14 word "free" marked in the center space. "Bingo" includes games
15 that otherwise qualify under this paragraph, except for the use
16 of cards where the figures are not preprinted but are filled in
17 by the players. A player wins a game of bingo by completing a
18 preannounced combination of spaces or, in the absence of a
19 preannouncement of a combination of spaces, any combination of
20 5 spaces in a row, vertically, horizontally, or diagonally.

21 "Bingo equipment" means any equipment or machinery
22 designed or used for the play of bingo. "Bingo equipment" does
23 not include electronic equipment.

1 "Charitable organization" means an organization or
2 institution organized and operated to benefit an indefinite
3 number of the public.

4 "Department" means the Department of Revenue.

5 "Educational organization" means an organization or
6 institution organized and operated to provide systematic
7 instruction in useful branches of learning by methods common to
8 schools and institutions of learning which compare favorably in
9 their scope and intensity with the course of study presented in
10 tax-supported schools.

11 "Fraternal organization" means an organization of persons
12 having a common interest that is organized and operated
13 exclusively to promote the welfare of its members and to
14 benefit the general public on a continuing and consistent
15 basis, including but not limited to ethnic organizations.

16 "Holiday" means any of the holidays listed in Section 17 of
17 the Promissory Note and Bank Holiday Act.

18 "Labor organization" means an organization composed of
19 labor unions or workers organized with the objectives of
20 betterment of the conditions of those engaged in such pursuit
21 and the development of a higher degree of efficiency in their
22 respective occupations.

23 "Licensed organization" means a qualified organization
24 that has obtained a license to conduct bingo in conformance
25 with the provisions of this Act.

26 "Limited license" means a license issued to an organization

1 that is not a licensed organization, but that is otherwise
2 eligible for a regular license to conduct bingo. A limited
3 license authorizes the conduct of bingo at up to 2 indoor or
4 outdoor festivals during the calendar year for which the
5 license is issued for a maximum of 5 consecutive days on each
6 occasion.

7 "Non-profit organization" means an organization or
8 institution organized and conducted on a not-for-profit basis
9 with no personal profit inuring to anyone as a result of the
10 operation.

11 "Organization" means a corporation, agency, partnership,
12 association, firm, business or other entity consisting of 2 or
13 more persons joined by a common interest or purpose.

14 "Person" means any natural individual, corporation,
15 partnership, limited liability company, organization (as
16 defined in this Section), licensee under this Act, or
17 volunteer.

18 "Provider" means any person or organization, except a city,
19 village, or incorporated town that owns or leases premises to
20 an organization for the conduct of bingo.

21 "Regular license" means a license authorizing its holder to
22 conduct one session of bingo per week on the date and at the
23 time and location stated on the license.

24 "Religious organization" means any church, congregation,
25 society, or organization founded for the purpose of religious
26 worship.

1 "Remote caller bingo game" means a game of bingo in which
2 (1) the numbers or symbols on randomly drawn plastic balls are
3 announced by a natural person present at the site where the
4 live game is conducted and (2) the organization conducting the
5 game of bingo uses audio and video technology to link any of
6 its in-state facilities for the purpose of transmitting the
7 remote calling of a live bingo game from a single location to
8 multiple locations owned, leased, or rented by that
9 organization.

10 "Senior citizens organization" means an organization or
11 association comprised of members of which substantially all are
12 individuals who are senior citizens, as defined in the Illinois
13 Act on the Aging, the primary purpose of which is to promote
14 the welfare of its members.

15 "Special games" means bingo games that may be designated as
16 such, played a maximum of 5 times during a bingo session and
17 are distinguished from regular games only by the maximum price
18 that may be charged for the bingo cards used.

19 "Special permit" means the ability of a licensee who
20 currently holds a license to be granted a permit to conduct
21 bingo at other premises or on other days not exceeding 5
22 consecutive days.

23 "Supplier" means any person, firm, or corporation that
24 sells, leases, or distributes to any organization licensed to
25 conduct bingo or to any licensed bingo supplier, cards, boards,
26 sheets, markers, pads and any other supplies, devices and

1 equipment designed for use in the play of bingo.

2 "Veterans' organization" means an organization comprised
3 of members of which substantially all are individuals who are
4 veterans or spouses, widows, or widowers of veterans, the
5 primary purpose of which is to promote the welfare of its
6 members and to provide assistance to the general public in such
7 a way as to confer a public benefit.

8 "Volunteer" means a person recruited by an organization who
9 voluntarily performs services at a bingo event, including
10 participation in the management or operation of a game.

11 "Youth athletic organization" means an organization having
12 as its exclusive purpose the promotion and provision of
13 athletic activities for youth aged 18 and under.

14 (Source: P.A. 95-228, eff. 8-16-07.)

15 (230 ILCS 25/2) (from Ch. 120, par. 1102)

16 Sec. 2. The conducting of bingo is subject to the following
17 restrictions:

18 (1) The entire net proceeds from bingo play must be
19 exclusively devoted to the lawful purposes of the
20 organization permitted to conduct that game.

21 (2) (Blank).

22 (2.5) No person except a bona fide member or employee
23 of the sponsoring organization may participate in the
24 management or operation of bingo.

25 (3) No person may receive any remuneration or profit

1 for participating in the management or operation of the
2 game, except that if an organization licensed under this
3 Act is associated with a school or other educational
4 institution, that school or institution may reduce tuition
5 or fees for a designated pupil based on participation in
6 the management or operation of the game by any member of
7 the organization. The extent to which tuition and fees are
8 reduced shall relate proportionately to the amount of time
9 volunteered by the member, as determined by the school or
10 other educational institution.

11 (4) (Blank). ~~The aggregate retail value of all prizes~~
12 ~~or merchandise awarded in any single day of bingo may not~~
13 ~~exceed \$2,250, except that in adjoining counties having~~
14 ~~200,000 to 275,000 inhabitants each, and in counties which~~
15 ~~are adjacent to either of such adjoining counties and are~~
16 ~~adjacent to a total of not more than 2 counties in this~~
17 ~~State, and in any municipality having 2,500 or more~~
18 ~~inhabitants and within one mile of such adjoining and~~
19 ~~adjacent counties having less than 25,000 inhabitants, 2~~
20 ~~additional bingo games may be conducted after the \$2,250~~
21 ~~limit has been reached. The prize awarded for any one game,~~
22 ~~including any game conducted after reaching the \$2,250~~
23 ~~limit as authorized in this paragraph (4), may not exceed~~
24 ~~\$500 cash or its equivalent.~~

25 (5) The number of games, including regular and special
26 games, may not exceed 25 in any one day, except that this

1 restriction on the number of games shall not apply to bingo
2 conducted at the Illinois State Fair or any county fair
3 held in Illinois.

4 (6) ~~The price paid for a single card under the license~~
5 ~~may not exceed \$1 and such card is valid for all regular~~
6 ~~games on that day of bingo.~~ A maximum of 5 special games
7 may be held on each bingo day, except that this restriction
8 on the number of special games shall not apply to bingo
9 conducted at the Illinois State Fair or any county fair
10 held in Illinois. ~~The price for a single special game card~~
11 ~~may not exceed 50 cents.~~

12 (7) The number of bingo days conducted by a licensee
13 under this Act, including any remote caller bingo games, is
14 limited to 2 ~~one~~ per week, except as follows:

15 (i) Bingo may be conducted in accordance with the terms
16 of a special operator's permit or limited license
17 issued under subdivision (7) or (8) of Section 1.3.

18 (ii) Bingo may be conducted at the Illinois State Fair
19 or any county fair held in Illinois under subdivision
20 (6) of Section 1.3.

21 (iii) A licensee which cancels a day of bingo because
22 of inclement weather or because the day is a holiday or
23 the eve of a holiday may, after giving notice to the
24 Department, conduct bingo on an additional date which
25 falls on a day of the week other than the day
26 authorized under the license.

1 (8) A licensee may rent a premises on which to conduct
2 bingo only from an organization which is licensed as a
3 provider of premises or exempt from license requirements
4 under this Act. If the organization providing the premises
5 is a metropolitan exposition, auditorium, and office
6 building authority created by State law, a licensee may
7 enter into a rental agreement with the organization
8 authorizing the licensee and the organization to share the
9 gross proceeds of bingo games; however, the organization
10 shall not receive more than 50% of the gross proceeds.

11 (9) No person under the age of 18 years may play or
12 participate in the conducting of bingo. Any person under
13 the age of 18 years may be within the area where bingo is
14 being played only when accompanied by his parent or
15 guardian.

16 (10) The promoter of bingo games must have a
17 proprietary interest in the game promoted.

18 (11) Raffles or other forms of gambling prohibited by
19 law shall not be conducted on the premises where bingo is
20 being conducted, except that pull tabs and jar games
21 conducted under the Illinois Pull Tabs and Jar Games Act
22 may be conducted on the premises where bingo is being
23 conducted. Prizes awarded in pull tabs and jar games shall
24 not be included in the bingo prize limitation.

25 (12) Organizations may be issued a special permit or
26 limited license no more than 2 times in any year. An

1 organization holding a special operator's permit or a
2 limited license may, as one of the occasions allowed by
3 such permit or license, conduct bingo for a maximum of 2
4 consecutive days. If an organization conducts bingo
5 pursuant to a limited license or special permit, then the
6 number of games played during each day may exceed 25, and
7 regular game cards need not be valid for all regular games.
8 If only noncash prizes are awarded during such occasions,
9 the prize limits stated in subdivision (4) of this Section
10 shall not apply, provided that the retail value of noncash
11 prizes for any single game shall not exceed \$150.

12 (Source: P.A. 95-228, eff. 8-16-07.)

13 (230 ILCS 25/2.5 new)

14 Sec. 2.5. Remote caller bingo license; restrictions.

15 (a) No person or organization may conduct a remote caller
16 bingo game without a remote caller bingo license. The remote
17 caller bingo game license must list all of the locations
18 approved by the Department to conduct remote caller bingo games
19 under that license. The Department shall issue qualifications
20 for a remote caller bingo license and set forth an application
21 process.

22 (b) The conducting of a remote caller bingo game is subject
23 to the following restrictions:

24 (1) The drawing of each ball bearing a number or symbol
25 by the natural person calling the game shall be visible to

1 all players as the ball is drawn, including through a
2 simultaneous live video feed at remote locations at which
3 players may participate in the game. The audio or video
4 technology used to link the facilities may include cable,
5 Internet, satellite, broadband, or telephone technology,
6 or any other means of electronic transmission that ensures
7 the secure, accurate, and simultaneous transmission of the
8 announcement of numbers or symbols in the game from the
9 location at which the game is called by a natural person to
10 the remote location or locations at which players may
11 participate in the game.

12 (2) The remote caller bingo licensee or members of its
13 organization shall not receive a profit, wage, or salary
14 from the remote caller bingo game.

15 (3) The remote caller bingo game shall be operated and
16 staffed only by the remote caller bingo licensee or members
17 of its organization with the exception of administrative,
18 managerial, technical, financial, or security personnel
19 who are employed by the remote caller bingo licensee at a
20 location participating in the remote caller bingo game.
21 Notwithstanding any other provision of law, an exclusive
22 agreement or other agreement between the remote caller
23 bingo licensee and other entities or persons to provide
24 services in the administration, management, or conduct of
25 the game shall not be considered a violation of the
26 prohibition against holding a legally cognizable financial

1 interest in the conduct of the remote caller bingo game by
2 persons or entities other than the charitable
3 organization.

4 (4) The remote caller bingo licensee shall not have
5 overhead costs exceeding 25% of gross sales, except that
6 the limitations of this item (4) shall not apply to
7 one-time, non-recurring capital acquisitions. For purposes
8 of this item (4), overhead costs include, but are not
9 limited to, amounts paid for rent and equipment leasing and
10 the reasonable fees authorized to be paid to
11 administrative, managerial, technical, financial, and
12 security personnel employed by the remote caller bingo
13 licensee.

14 For the purpose of keeping its overhead costs below 25%
15 of gross sales, a remote caller bingo licensee may elect to
16 deduct all or a portion of the fees paid to financial
17 institutions for the use and processing of credit card
18 sales from the amount of gross revenues awarded for prizes.
19 These deducted fees for the use and processing of credit
20 card sales shall not be considered overhead costs.
21 Additionally, fees paid to financial institutions for the
22 use and processing of credit card sales shall not be
23 deducted from the proceeds retained by the charitable
24 organization.

25 (5) No person shall be allowed to participate in a
26 remote caller bingo game unless the person is physically

1 present at the time and place where the remote caller bingo
2 game is being conducted. A person shall be deemed to be
3 physically present at the place where the remote caller
4 bingo game is being conducted if he or she is present at
5 any of the locations participating in the remote caller
6 bingo game in accordance with this Section.

7 (6) An organization shall only co-sponsor a remote
8 caller bingo game with one or more other organizations that
9 share the same type of membership category. Unaffiliated
10 organizations shall be limited to a maximum of 10 locations
11 for a remote caller bingo game and a maximum of 2 remote
12 caller bingo games per week.

13 (7) Every remote caller bingo game shall be played
14 until a winner is declared. The declared winner of a remote
15 caller bingo game shall provide his or her identifying
16 information and a mailing address to the onsite manager of
17 the remote caller bingo game. Prizes shall be paid only by
18 check if the prize money exceeds \$999.99. The remote caller
19 bingo licensee may issue a check to the winner at the time
20 of the game or mail a check to the declared winner by
21 certified mail, return receipt requested, within 10 days
22 after the remote caller bingo game.

23 (8) The value of prizes awarded during the conduct of
24 any remote caller bingo game shall not exceed 40% of the
25 gross receipts for that game. If an authorized organization
26 elects to deduct fees paid for the use and processing of

1 credit card sales from the amount of gross revenues for
2 that game awarded for prizes, then the maximum amount of
3 gross revenues that may be awarded for prizes shall not
4 exceed 40% of the gross receipts for that game, less the
5 amount of redirected fees paid for the use and processing
6 of credit card sales.

7 (9) All prize money exceeding State and federal
8 exemption limits on prize money shall be subject to income
9 tax reporting and withholding requirements under
10 applicable State and federal laws and regulations and those
11 reports and withholding shall be forwarded, within 10
12 business days after the remote caller bingo game, to the
13 appropriate State or federal agency on behalf of the
14 winner. A report shall accompany the amount withheld
15 identifying the person on whose behalf the money is being
16 sent. Any game interrupted by a transmission failure,
17 electrical outage, or act of God shall be considered void
18 in the location that was affected and the organization's
19 members, affiliates, and the State shall be held harmless.
20 A refund for a canceled game or games shall be provided to
21 the purchasers.

22 (10) The entire net proceeds, comprised of at least 35%
23 of the gross proceeds, from the remote caller bingo game
24 must be exclusively devoted to the lawful purposes of the
25 organization permitted to conduct that game.